

December 14, 2017

The Hon. Paul D. Ryan
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

Dear Speaker Ryan:

The irresponsible tax cuts you are pursuing will explode the federal deficit, violating the principle, enshrined in the 2010 Statutory PAYGO law, that tax cuts should be paid for. Under that law, your unpaid-for tax cuts, if enacted, will trigger automatic, across-the-board cuts to Medicare, the farm safety net, and other programs. Given the lack of bipartisanship to date in your effort to provide massive tax cuts to the wealthy at the expense of the middle class while adding \$1.5 trillion to the deficit, it will be your responsibility to deal with these consequences.

With that in mind, we read with interest your recent joint statement with the Senate Majority Leader suggesting that these required across-the-board cuts “will not happen.” These cuts would be a direct consequence of your massive \$1.5 trillion deficit increase from tax cuts for the wealthy, so it is confusing to hear that you and Leader McConnell “will work to ensure these spending cuts are prevented.” We are curious how you plan to do that, as the obvious solution would be not to pass those tax cuts in the first place.

In addition to the looming \$25 billion Medicare cut next month, enacting your tax bill will result in widespread chaos to the health insurance market. The Senate bill’s elimination of the individual mandate, according to the Congressional Budget Office, will increase premiums and 13 million Americans will lose their health insurance coverage. Likewise, seniors and those preparing for retirement are rightly nervous that your recent pronouncement that “we’re going to have to get back next year at entitlement reform, which is how you tackle the debt and the deficit” means that cuts to Medicare and Social Security benefits are the necessary next step to pay for the added deficits your tax cuts would produce.

Overwhelming uncertainty looms over our entire health care system and throughout our economy as a result of these developments. Should you enact a tax bill by the end of the year that adds \$1.5 trillion to the deficit and, as a result, triggers PAYGO cuts next month, any effort to mitigate those cuts must also remove these other catalysts of uncertainty. At a minimum, that must include rejecting the elimination of the individual mandate as well as the use of reconciliation procedures next year for Medicare benefit cuts in order to fill the fiscal gap left by your tax bill.

We will not be complicit in any effort to undermine access to affordable coverage or increase costs for millions of Americans, just as we will continue our strenuous opposition to your reckless tax proposals.

Sincerely,

STENY H. HOYER
House Democratic Whip

RICHARD NEAL
Ranking Member

FRANK PALLONE, JR.
Ranking Member
Committee on Energy
& Commerce

JOHN YARMUTH
Ranking Member
Committee on the Budget